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Proposed programme budget for the biennium 2006-2007*

Part IV
International cooperation for development

Section 13
International Trade Centre UNCTAD/WTO

(Subprogramme 6 of programme 10 of the biennial programme plan and priorities for the period 2006-2007)**

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* A summary of the proposed programme budget will subsequently be issued as *Official Records of the General Assembly, Sixtieth Session, Supplement No. 6* (A/60/6/Add.1).

** *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 6* (A/59/6/Rev.1).

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Overview

Full budget: SwF 66,058,600 (before recosting); SwF 68,369,400 (after recosting)
United Nations share: SwF 32,794,300 (before recosting); SwF 33,949,700 (after recosting)

13.1 The International Trade Centre UNCTAD/WTO (ITC), a joint technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO), is the focal point for all United Nations technical cooperation activities in trade promotion, as affirmed by the Economic and Social Council in its resolution 1819 (LV) of 9 August 1973. The Centre is responsible for the implementation of subprogramme 6, Operational aspects of trade promotion and export development, of programme 10, Trade and development, of the biennial programme plan for the period 2006-2007. The United Nations and WTO equally share the funding of the ITC regular budget. Revised budgetary arrangements with regard to ITC were endorsed by the General Assembly in section 1 of its resolution 59/276 of 23 December 2004.

13.2 Millennium Development Goals 1 and 8, namely poverty reduction and developing a global partnership for development, will remain the overarching objectives of the Centre's work during the period. The Centre focuses its technical cooperation activities on creating and strengthening the capacity of the business sector in developing countries and countries with economies in transition to compete in the international marketplace. Capacity-building support is provided through information dissemination and training and advisory services. The principal clients of such technical assistance are public and private sector institutions and institutional networks in partner countries that extend specialized trade support services to the export community.

13.3 The importance of trade as a major contributor to development is fully recognized. The Declaration of the Fourth Ministerial Conference of WTO (Doha, November 2001) reaffirmed its support for the valuable work of ITC and called for its enhancement. The Monterrey Consensus of the International Conference on Financing for Development (Monterrey, Mexico, March 2002) affirmed that Member States were committed to promoting trade as an engine for development and underlined that special consideration should be given to least developed countries and African development, including through the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, the Joint Integrated Technical Assistance Programme, the WTO Doha Development Agenda Global Trust Fund and the activities of ITC. The Declaration and the Consensus therefore both highlighted the strategic importance of the development of trade-related technical assistance and capacity-building. The joint communiqué of 25 September 2005 of the Development Committee of the World Bank and the IMF reinforced the need for increased aid for trade to address supply-side constraints and enhance the capacity of developing countries to take advantage of expanded trade opportunities.

13.4 The statement adopted at the Fifth Ministerial Conference of WTO (Cancún, Mexico, September 2003) concluded with a reaffirmation of all the Doha declarations and decisions and a commitment to work to implement them fully and faithfully. In this context, ITC will work towards consolidating and expanding partnerships between the public and business sectors as well as networks in developing countries and countries with economies in transition. Furthermore, it will focus its activities on the realization of the Doha Development Agenda, including the decisions to be taken at the Sixth Ministerial Conference of WTO, to be held in Hong Kong, China, in December 2005. Millennium Development Goal 8, target 12, also calls for developing further an open, rule-based, predictable, non-discriminatory trading and financial system. The Group of Eight in July 2005 noted that an ambitious and balanced conclusion to the Doha Round was the best way to make trade work for Africa and increase African countries' integration into the global economy. General Assembly resolution 60/1, adopted by the 2005 World Summit, held in New York from

14 to 16 September 2005, makes several references to the importance of trade as an engine for development (para. 21) and the commitment to support developing countries' efforts to overcome supply-side constraints (para. 29).

13.5 New demand for continued growth of ITC services are therefore expected from both recipients and donors, notwithstanding the fact that ITC accounts for only a fraction of the global resources allocated to trade-related technical assistance. This situation presents both an opportunity for ITC to grow and to maintain the continuous relevance of its services as well as a challenge given the limitations of its resources (both regular budget and extrabudgetary). As a reflection of the widening recognition of the contribution of trade-related technical assistance to development, the demand for ITC services seems unlimited and has increased substantially in recent years. Between 2002 and 2004, thanks to the generous response of the donor community, the delivery of technical assistance by ITC increased by 25 per cent. The Centre is working to maintain that level of growth in 2006 and 2007 and will ensure that any increase is achieved without compromising the quality and utility of the assistance provided. ITC remains fully committed to pursue a "managed growth" approach over the period in both quantitative and qualitative terms. Growth will be managed in accordance with the Centre's resources, capacities and priorities. This entails following a carefully managed strategy over the period based on three pillars: (a) continuous assessment of the relevance and impact of specialized ITC services against evolving client demand; (b) maximization of in-house synergies together with further rationalization of administrative processes; and (c) the strengthening of technical partnerships and mobilization of non-traditional resources.

13.6 The limited size of ITC and the increasing scale and diversity of demand for its trade support services have led the Centre to follow a three-track approach for the delivery of technical cooperation, as follows:

(a) The development of business improvement tools and services to meet the collective needs of small and medium-sized enterprises will be intensified using the ITC product-network approach, and their delivery is expected to increase considerably. These will be further refined, adapted to specific needs and client groups and enriched to meet new assessed needs. Capacity-building and sustainability will be achieved through national-level partnerships for their customization and adaptation to suit local requirements. Specialized trade support institutions as well as product and industry associations will be involved in both designing and delivering these tools;

(b) ITC will continue to synergize with other lead agencies in offering medium-intensity field-level support under multi-purpose, multi-country projects;

(c) High-intensity country- and region-specific projects will continue to be designed and delivered, tailor-made to the requirements of the country or region. These projects will increasingly offer an appropriate mix of tools and services duly integrated into the project strategy.

13.7 While ITC will maintain its effective three-track approach to delivering trade-related technical assistance, its biggest challenge will be to ensure that client countries benefit from an ideal mix of tools, services and programmes, tailor-made to their specific needs and circumstances, at the lowest possible cost, and to assure sustainability of its actions in the long term. National capacity-building will continue to play a key role in this regard. Therefore, to ensure the maximum impact of its activities, ITC will focus on intensifying its work with existing partner institutions in developing countries and countries with economies in transition. A key factor in the strategy of ITC will be its continuous fine-tuning of tools and methodologies to ensure that the technical assistance it provides is constantly aligned with the rapidly evolving needs of the world trade

market. This approach, which has been followed successfully over recent years, ensures that the Centre's activities remain relevant.

13.8 The ITC programme of work is reviewed annually by the Joint Advisory Group on the International Trade Centre, the main intergovernmental policy forum of the Centre, which is open to members of UNCTAD and WTO. The WTO General Council and the UNCTAD Trade and Development Board review the report and recommendations of the Joint Advisory Group annually. In addition, every year an informal session of the Group reviews specific ITC activities.

13.9 The Centre's main expected accomplishments and indicators of achievement for the biennium 2006-2007, as presented in the biennial programme plan and priorities for the period 2006-2007 and approved by the General Assembly in its resolution 59/275 of 23 December 2004, are set out in detail, together with the required resources, in the section below entitled "Programme of work". The number of these expected accomplishments and indicators of achievement is shown in table 13.1.

Table 13.1 **Framework of expected accomplishments and indicators of achievement**

Component	*Number of expected accomplishments*	*Number of indicators of achievement*
Programme of work	5	10
Total	**5**	**10**

13.10 The issue of publications as part of the programme of work has been reviewed. It is anticipated that recurrent and non-recurrent publications will be issued as shown in table 13.2 and as described below under outputs.

Table 13.2 **Summary of publications (regular budget and extrabudgetary)**

Publications	*2002-2003 actual*	*2004-2005 estimate*	*2006-2007 estimate*
Recurrent	93	111	159
Non-recurrent	78	108	63
Total	**171**	**219**	**222**

13.11 In line with the administrative arrangements between the United Nations and WTO, the Secretary-General submitted to the General Assembly in the second quarter of 2005 a simplified fascicle with an indication of the level of resources that ITC planned to request for the biennium 2006-2007 (A/60/6 (Sect. 13)). A similar report was submitted to the WTO General Council. In its first report on the proposed programme budget for the biennium 2006-2007 (A/60/7), the Advisory Committee on Administrative and Budgetary Questions recommended that the General Assembly take note of the resources proposed in the preliminary budget estimates.

13.12 The amount estimated for the proposed programme budget of ITC for the biennium 2006-2007 contained in the present document represents a decrease of SwF 13,500, or 0.02 per cent. The main substantive changes as compared with the 2004-2005 approved budget concern the proposed creation of three new Professional posts (1 P-5, 1 P-4 and 1 P-3) to be responsible for coordinating and providing substantive inputs to the activities of ITC towards the achievement of the Millennium Development Goals, in particular Goals 1 and 8. The incumbents will also coordinate

the mainstreaming of gender issues in ITC programmes and reinforce the core activities of ITC in the areas of needs assessment for the transition economies and sectoral trade strategies for which demand has already significantly increased and is anticipated to increase further as a result of the Sixth Ministerial Conference of WTO, to be held in December 2005 in Hong Kong, China. The net decrease of SwF 13,500 is the result of an increase of SwF 261,400, which represents the delayed impact of the four Professional posts (2 P-4, 1 P-3, 1 P-2) and three General Service (Other level) posts approved for the biennium 2004-2005, and an increase of SwF 1,022,600 in order to provide for the three new Professional posts mentioned above, offset by a decrease of SwF 1,297,500 under non-post requirements, being mainly the result of a reduction in rent (SwF 445,800) and a one-time provision for strengthening the security management system adopted by the General Assembly in section XI of its resolution 59/276 (SwF 1,405,800).

13.13 Minor changes in the distribution of resources in the administrative support areas are also proposed to take into account the evolving needs and costs. These include, after deduction of the reduction in rent and security mentioned above: (a) a reduction in temporary assistance for meetings (SwF 209,900) due to reduced requirements as compared with the biennium 2004-2005; (b) a decrease of SwF 157,700 under contractual services; (c) an increase of SwF 238,400 under furniture and equipment related mainly to the first instalment of the procurement of archive shelving for the registry and the human resources official status files and the replacement of the main ITC conference room furniture; (d) minor increases for software, servers and information technology maintenance and supplies (SwF 156,000); and (e) an increase of SwF 563,000 under grants and contributions relating to the biennial provision of two additional security officers (4 security officers in total), as approved in section XI of General Assembly resolution 59/276.

13.14 Table 13.3 shows the requirements for the biennium 2006-2007, expressed in Swiss francs, after recosting. The contribution of each parent organization for the biennium 2006-2007 is estimated to be SwF 33,949,700, or $26,732,000 at the exchange rate of SwF 1.27 to US$ 1.

13.15 Miscellaneous income for the biennium 2006-2007 is currently projected at SwF 470,000, which is in line with the estimate of SwF 471,000 for the biennium 2004-2005.

13.16 It is estimated that for the coming biennium extrabudgetary resources amounting to approximately $55,170,800 (equivalent to SwF 70,066,900 at the exchange rate of SwF 1.27 to US$ 1) will be available. This represents 51.5 per cent of the total resources available to the Centre. Extrabudgetary resources complement provisions under the regular budget and enable ITC to implement concrete technical cooperation projects using the tools and knowledge base developed with regular budget resources.

13.17 In line with General Assembly resolution 58/269 of 23 December 2003, ITC will undertake a series of self-evaluations of projects, programmes and thematic areas of work as well as the mandatory self-assessment of subprogramme performance, which will include collating, analysing and updating performance information as well as drafting and assessing accomplishments. Planned discretionary self-evaluations include midterm evaluations of key programmes funded by the European Commission (Asia Trust Fund, Pakistan and Sri Lanka), the Joint Integrated Technical Assistance Programme, funded by multiple donors, and the Programme for Building African Capacity for Trade, funded by the Government of Canada, and an evaluation of the ITC Export-led Poverty Reduction Programme and Trade in Services Section. A total of 35 work-months of regular budget resources (Professional and General Service) will be utilized for this purpose.

Table 13.3 **Estimated resource requirements**

(Thousands of Swiss francs)

Category	2004-2005 appropriation	Resource growth		Total before recosting	Recosting	2006-2007 estimate	2006 estimate	2007 preliminary estimate
		Amount	Percentage					
Post	48 924.7	1 284.0	2.6	50 208.7	2 058.0	52 266.7	26 341.8	25 924.9
Non-post	17 147.4	(1 297.5)	(7.6)	15 849.9	252.8	16 102.7	8 260.7	7 842.0
Total	**66 072.1**	**(13.5)**	**—**	**66 058.6**	**2 310.8**	**68 369.4**	**34 602.5**	**33 766.9**
Less income	471.0	(1.0)	(0.2)	470.0	—	470.0	235.0	235.0
Net amount to be shared by each parent organization	65 601.1	(12.5)	—	65 588.6	2 310.8	67 899.4	34 367.5	33 531.9
Contribution shared by each parent organization	32 800.6	(6.3)	—	32 794.3	1 155.4	33 949.7	17 183.7	16 766.0

Table 13.4 **Post requirements**

Category	Established regular budget posts		Temporary posts				Total	
			Regular budget		Extrabudgetary			
	2004-2005	2006-2007	2004-2005	2006-2007	2004-2005	2006-2007	2004-2005	2006-2007
Professional and above								
ASG	1	1	—	—	—	—	1	1
D-2	1	1	—	—	—	—	1	1
D-1	4	4	—	—	1	1	5	5
P-5	17	18	—	—	1	1	18	19
P-4/3	44	46	—	—	6	7	50	53
P-2/1	10	10	—	—	—	—	10	10
Subtotal	**77**	**80**	**—**	**—**	**8**	**9**	**85**	**89**
General Service	76	76	—	—	8	11	84	87
Total	**153**	**156**	**—**	**—**	**16**	**20**	**169**	**176**

Programme of work

13.18 ITC deals specifically with the operational aspects of trade development. It focuses its technical cooperation activities on supporting the efforts of developing countries and countries with economies in transition, and most particularly their business sectors, to build the capacities needed to realize their full potential for developing exports and improving import operations so that they can compete in the international marketplace. For this purpose, ITC pursues five corporate goals, namely: (a) facilitating the integration of enterprises into the multilateral trading system; (b) supporting the design of trade development strategies; (c) strengthening key trade support services, both public and private; (d) improving sector performance; and (e) building enterprise competitiveness.

13.19 Technical assistance is delivered at the national, subregional, regional and interregional levels. To support these field-level activities, ITC maintains an active Headquarters-based applied research programme. This concentrates on the gathering and analysis of market information and commercial opportunities and the development of generic tools for subsequent adaptation and application by partner organizations in developing and transition economies or by individual enterprises. This applied research focus ensures that ITC technical cooperation is of a high standard and that the lead time for and costs of input delivery at the field level are effectively reduced. Increasing use is being made of information and communication technology as a means of supporting research and delivering technical assistance inputs.

13.20 ITC carries out its technical cooperation activities in coordination with its parent bodies, UNCTAD and WTO. In addition, the newly created alliance with the European Union covering a number of Asian countries will, it is hoped, be extended to other parts of the world. Strategic partnerships with key traditional and non-traditional donors will be strengthened, and continued efforts will be made to utilize donor funds efficiently and effectively, using sound results-based management principles and minimizing transaction costs. Partnerships with other United Nations and associated organizations, such as the World Intellectual Property Organization, the United Nations Industrial Development Organization, the Food and Agriculture Organization of the United Nations, the Multilateral Investment Guarantee Agency, the Commonwealth Secretariat and the World Bank will be further strengthened. The new orientation of partnership with the Centre for the Promotion of Imports from Developing Countries of the Netherlands will be tested in selected African countries and refined.

13.21 The organizational structure of the Centre, headed by an Executive Director, comprises three substantive divisions and the Division of Programme Support. The Office of the Executive Director provides strategic leadership for the development and management of the Centre. It coordinates the corporate work programme by preparing and monitoring the Centre's business plan and by carrying out the key functions of programme and project evaluation, resource mobilization and corporate communication. The Office represents the Centre at the executive level vis-à-vis Governments, United Nations bodies, WTO and other organizations. It chairs key committees to establish corporate development and policy direction and to determine strategic orientation. The Office of the Executive Director also assumes technical and managerial responsibility for the implementation of the Executive Forum. This has become an ITC flagship, with more than 80 countries now participating in the network, involving an annual cycle of research, consultation, publication and field-level technical assistance focusing on best practices in national export strategy design and management. It will continue to provide a framework by means of which developing countries and countries with economies in transition can take a strategic approach to enhancing their international competitiveness and to allocating their limited resources for national export development more effectively. To that effect, the creation of a P-4 position is proposed to respond to the demand from developing countries and countries with economies in transition for comprehensive advice on strategy design (national and sectoral) and for assistance in institutional strengthening and policy development relating to strategy management.

13.22 The Division of Technical Cooperation Coordination coordinates field-level activities, including relations with field-based donors, and ensures that such activities are consistent with national and regional trade promotion needs and priorities. The Division leads the Centre's needs assessment and programme design process and manages integrated national and regional projects. Special attention will continue to be given to supporting Africa's participation in the multilateral trading system through the Joint Integrated Technical Assistance Programme. Concerning countries with economies in transition, the Division has been confronted with unprecedented demand for new technical cooperation approaches tailor-made to the specific needs of economies in transition. This requires the reinforcement of its capacity to develop and maintain an in-depth understanding of the

trade and development challenges specific to those countries and to spearhead appropriate needs assessment and programme design activities. To respond to this demand, the creation of a P-3 post is proposed. More emphasis will also be given to the contribution of ITC to the achievement of the Millennium Development Goals, for which the establishment of a P-5 post is also being proposed. At the interregional level, special emphasis will continue to be placed on responding to demand from the least developed countries for technical cooperation within the multi-agency Integrated Framework for trade-related technical assistance. Significantly greater attention will be devoted to ensuring that these interregional and multi-agency initiatives are linked to and directly support ongoing country-level initiatives. Building on the concrete results of its pilot projects at the grass-roots level, the Export-led Poverty Reduction Programme will aim at raising awareness at the national policy decision-making level of the potential that trade has as an engine to reduce poverty, and the South-South Trade Promotion Programme will build on the success of current partnerships to concentrate on capacity-building at the national and regional levels.

13.23 The focus of the Division of Trade Support Services is on enhancing the competitiveness of enterprises in world markets through its four technical and cross-cutting programmes, namely: (a) business advisory services — the programme will continue to help create a more supportive environment to boost international trade activities by businesses, in particular small and medium-sized enterprises. Its services will focus on three angles of the international trade environment within which enterprises operate: the regulatory environment (world trading system and trade law), the technical environment (standards, packaging and quality management) and the resource environment (trade support institutions and trade finance); (b) export training capacity development — the programme will continue to develop products and deliver programmes to build sustainable capabilities of business development service providers by integrating its materials and methodologies into trade-related technical assistance programme design processes and offering its network capacities to donors and technical cooperation agencies to increase field impact and improve the long-term sustainability of its network; (c) international purchasing and supply chain management — the programme will intensify its cooperation with country partner institutions to enhance enterprise competitiveness and export performance through improved supply chain management and to successfully develop and implement sector diagnostics and export strategies based on a value chain approach. Owing to the increasing demand in sector- and enterprise-level trade strategy development work and associated technical assistance for strategy implementation, ITC will place special emphasis on building its capacity to respond in these areas; (d) e-trade development — activities relating to e-trade will result in increased confidence of developing economies in e-trade, upgraded knowledge and better understanding by small and medium-sized enterprises of evolving e-business trends and their implications and enhanced regional and international e-business networks and a narrowing of the gap between public and private sectors in national e-business strategy development.

13.24 The programme of work of the Division of Product and Market Development will maintain its emphasis on assisting the business sector in developing and transition economies to respond competitively to evolving market trends, opportunities and business practices through its four technical programmes, namely: (a) strategic and operational market research, which will follow a four-pronged approach of making international trade more transparent, developing and providing decision support tools, preparing in-depth studies on specific trade-related issues and building capacity for strategic and operational market research; (b) trade information management, which will focus on two interrelated strategic objectives: the strengthening of the information service capacity of trade support institutions, including sector- and theme-specific organizations through advisory and training services, and the development of national and regional information networks that link sectoral and thematic organizations with more broadly based national trade promotion organizations; (c) sector-specific product and market development, which will aim to meet the

needs evolving in essentially three clusters of product sectors: product sectors unique to their climate, location or culture, including niche product segments commanding premium price export opportunities, such as organic and biodiverse products; large product sectors in which developing countries generate important export earnings, where the focus will be on assisting them to create more value in the face of intense global competition; and product sectors in which new challenges arise owing to a sudden change in the business landscape; (d) trade in services, where assistance will be aimed at Governments, trade and industry associations and potential exporters of services. The scope will usually be business-to-business services. The focus will be on addressing horizontal challenges facing exporters of services.

13.25 The Division of Programme Support provides administrative, logistical and technical support to ITC in the planning and implementation of all its regular budget and extrabudgetary activities. It is responsible for preparing, monitoring and reporting on the regular budget to the United Nations and WTO and for monitoring compliance with the established rules and regulations in the implementation of activities financed by the regular budget and extrabudgetary resources. It represents ITC at inter-agency coordination meetings and in the context of administrative, legal, technological and security activities and is responsible for liaison with the oversight bodies and for planning and coordinating the implementation of their recommendations. Its activities aim at contributing to the attainment of the mandate and efforts of the Centre as a whole to increase the volume and effectiveness of technical assistance.

Table 13.5 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective: To enable developing countries and countries with economies in transition to realize their full potential for developing exports and improving import operations.

Expected accomplishments	Indicators of achievement
(a) Establishment of national core expertise in multilateral trading system issues involving a good understanding of products and market reality and potential	(a) (i) Increased number of country networks established and supported under the World Tr@de Net and related ITC programmes *Performance measures:* 2002-2003: 70 country networks Estimate 2004-2005: 97 country networks Target 2006-2007: 121 country networks (ii) Increased level of activities of individual advocacy networks *Performance measures:* 2002-2003: 62 activities Estimate 2004-2005: 200 activities Target 2006-2007: 300 activities

(b) Trade development strategies that take into account supply capacity and international demand and commercial practices	(b) (i) Increased number of trade development strategies developed through ITC collaboration (national or sectoral) that are under implementation *Performance measures:* 2002-2003: 17 trade development strategies Estimate 2004-2005: 77 trade development strategies Target 2006-2007: 122 trade development strategies (ii) Increased number of countries assisted that incorporate an "e-dimension" into export strategies *Performance measures:* 2002-2003: 4 countries Estimate 2004-2005: 17 countries Target 2006-2007: 29 countries
(c) Reinforcement of trade support institutions in the provision of efficient services to the business community	(c) (i) Increased number of trade support institutions partnering with ITC *Performance measures:* 2002-2003: 400 trade support institutions Estimate 2004-2005: 600 trade support institutions Target 2006-2007: 650 trade support institutions (ii) Increased number of institutions applying ITC support tools *Performance measures:* 2002-2003: 20 institutions Estimate 2004-2005: 220 institutions Target 2006-2007: 270 institutions

(d) Improvement trade performance in selected product and service sectors	(d) (i) Increased number of enterprises participating in ITC buyer-seller meetings and matchmaking activities *Performance measures:* 2002-2003: 1,340 enterprises Estimate 2004-2005: 3,350 enterprises Target 2006-2007: 4,340 enterprises (ii) Increased number of participants in the ServicesExportNetwork *Performance measures:* 2002-2003: 12 participants Estimate 2004-2005: 23 participants Target 2006-2007: 40 participants (iii) Increased number of countries with partners using ITC strategic market analysis tools *Performance measures:* 2002-2003: 128 countries Estimate 2004-2005: 128 countries Target 2006-2007: 130 countries
(e) Increase in entrepreneurship and competitiveness at the enterprise level	(e) Increased number of enterprise associations applying ITC-developed support tools *Performance measures:* 2002-2003: 100 enterprise associations Estimate 2004-2005: 160 enterprise associations Target 2006-2007: 180 enterprise associations

External factors

13.26 ITC develops its offering of services on the basis of demand from beneficiaries, the level of donor support and its own assessment of national needs. Changes in the international marketplace and the multilateral trading system and the related needs and priorities of ITC clients constantly call for the adaptation of the Centre's programme of work. Plans for adjustments and changes in emphasis within the overall technical cooperation programme are reviewed annually within the framework of the Joint Advisory Group and ongoing consultations with stakeholders. The programme of work is

also influenced by the progress made under the Integrated Framework, demand emanating from the annual ITC Executive Forum event and, currently, by the outcome of deliberations on the Doha Development Agenda and the Gleneagles Communiqué adopted by the Group of Eight in July 2005. As ITC is exclusively a technical cooperation agency, the programme of work and the level of impact achieved in the field are directly dependent on the availability of extrabudgetary resources. Finally, it is also expected that new demands will arise from the Sixth Ministerial Conference of WTO, to be held in Hong Kong, China, in December 2005.

Outputs

13.27 The following outputs are planned for delivery during the biennium 2006-2007:

(a) Servicing of intergovernmental and expert bodies (regular budget and extrabudgetary):

(i) Substantive servicing: formal and informal annual meetings of the Joint Advisory Group (4); meetings of the Consultative Committee of the Global Trust Fund (6); meetings of the Steering Group of the Common Trust Fund Committee (4);

(ii) Parliamentary documentation: annual report on the activities of the International Trade Centre UNCTAD/WTO and annexes (8); reports of the Joint Advisory Group (2);

(b) Other substantive activities (regular budget and extrabudgetary):

(i) Recurrent publications: *International Trade Forum* magazine (32); directories and bibliographies (5); electronic market analysis tools (9); market briefs (20); newsletters and bulletins (78); other (15).

(ii) Non-recurrent publications: trade promotion handbooks (8); market surveys and commodity handbooks (3); enterprise management development tools (24); web/CD-ROM-based training programmes (18); other (10).

(c) Technical cooperation:

(i) Advisory services (regular budget and extrabudgetary):

a. Approximately 2,250 short-term missions will be organized in response to requests from Governments and institutions at the national, subregional and regional levels to assess, design, formulate and implement specific technical cooperation projects or components of programmes. Specific technical areas covered by the advisory services will include:

i. The assessment of users' needs and capacity gaps; sectoral export potential assessments; development of national and sectoral export strategies; setting up, promoting and managing trade information services and networks and measuring the relevant performance; market analysis; and capacity-building of the national trade support network, including product-based and service associations;

ii. Business implications of the multilateral trading system; capacity development and service enhancement in the areas of management competency; e-competency, trade finance, trade law, quality management and standards and export packaging; institutional development and training of trainers in the areas of export, purchasing and supply management; electronic commerce and computer-based supply chain management systems; and reform and improvement of public procurement;

b. An enquiry and reply service will also be regularly available to the ITC network of trade support institutions, handling approximately 2,100 enquiries;

(ii) Group training (extrabudgetary): approximately 600 training and awareness-building events (approximately 19,000 participants) on selected topics;

(iii) Field projects (extrabudgetary): 151 (80 national, 36 regional and 35 interregional projects) are currently planned.

Table 13.6 **Resource requirements (full budget)**

	Resources (thousands of Swiss francs)		*Posts*	
Category	*2004-2005*	*2006-2007 (before recosting)*	*2004-2005*	*2006-2007*
Regular budget				
Post	48 924.7	50 208.7	153	156
Non-post	17 147.4	15 849.9	—	—
Subtotal	**66 072.1**	**66 058.6**	**153**	**156**
Extrabudgetary	69 079.1	70 066.9	16	20
Total	**135 151.2**	**136 125.5**	**169**	**176**

13.28 The proposed amount of SwF 50,208,700 (before recosting) for posts relates to the funding of 80 Professional and higher-level posts and 76 General Service posts. The increase includes SwF 1,284,000 for the three proposed new posts and the delayed impact of posts approved in 2004-2005.

13.29 The estimated amount of SwF 15,849,900 (before recosting) proposed in non-post resources comprises requirements for: (a) temporary assistance for the meetings of the Joint Advisory Group to cover the costs of translation, revision and distribution of related pre-session, in-session and post-session documentation as well as general temporary assistance and overtime; (b) the purchase of and/or subscriptions to technical databases, publications and documentation; (c) consultancies and resource personnel for the Executive Forum; (d) official travel; (e) translation and printing of the International Trade Forum and various other publications and documents; (f) operating expenses; (g) official hospitality; (h) supplies and materials; (i) furniture and equipment; and (j) grants and contributions to United Nations joint activities and common services. The decrease of SwF 1,297,500 for non-post items is due mainly to a reduction in costs for the rental of premises and the one-time provision for strengthening the security management system adopted by the General Assembly in section XI of its resolution 59/276.

Table 13.7 **Summary of follow-up action taken to implement relevant recommendations of the internal and external oversight bodies and the Advisory Committee on Administrative and Budgetary Questions**

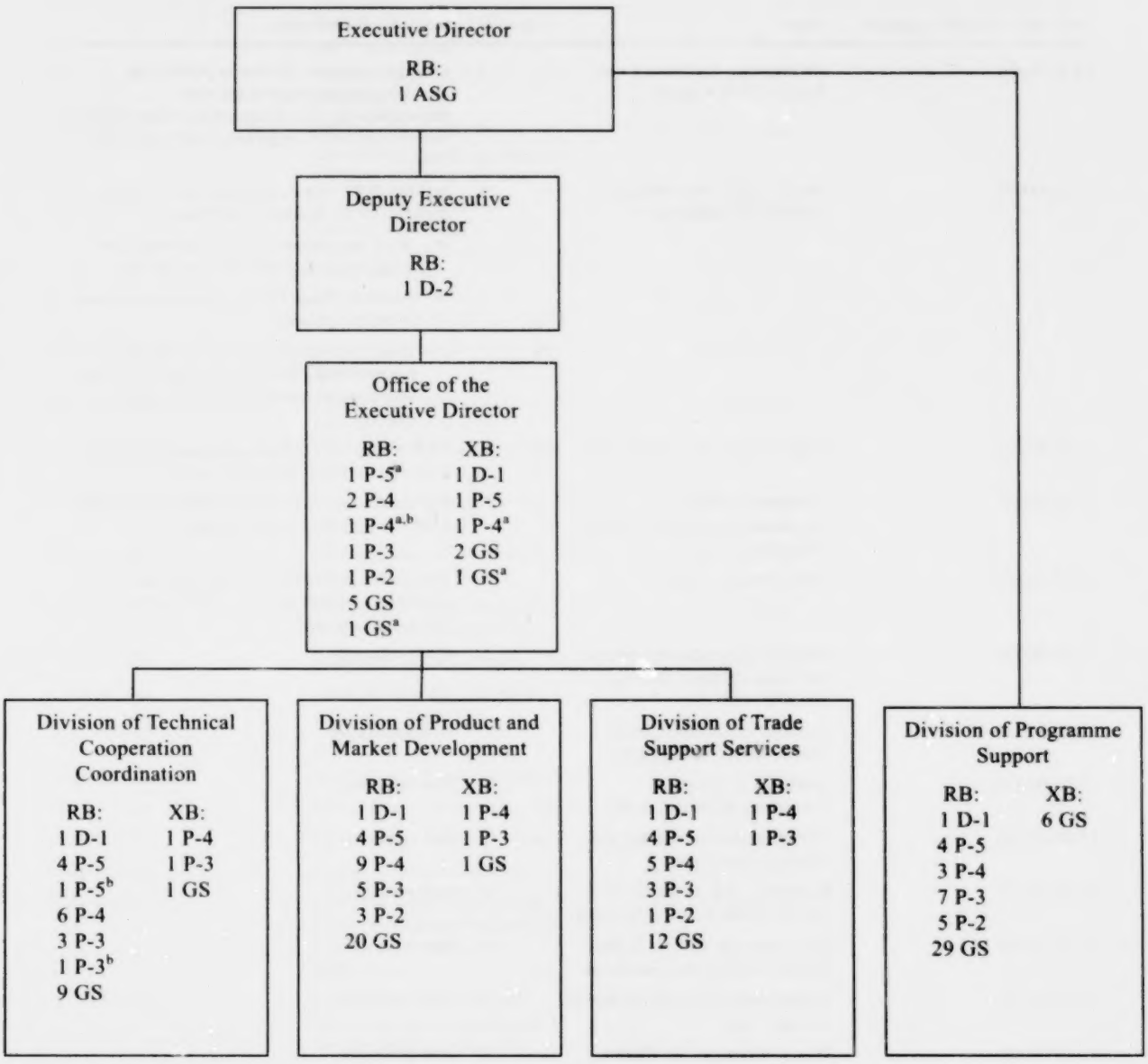
Brief description of the recommendation	*Action taken to implement the recommendation*
Advisory Committee on Administrative and Budgetary Questions (A/59/543)	
The Advisory Committee encouraged ITC to endeavour to harmonize the two budget documents, where possible, in consultation with both the United Nations and the World Trade Organization secretariats (para. 7).	New procedures are being introduced for the 2006-2007 budget period and, based on this experience, consultations will take place in 2006 to determine whether further harmonization can be introduced.
Board of Auditors (A/60/113)	
The Board recommended that ITC establish and maintain information and communication technology standards and operational practices in line with best practices, in common with other United Nations organizations, with a view to reducing risks and costs, in particular for significant projects (para. 139).	ITC participates in the inter-agency discussions in this area and does not have projects with significant costs. In the meantime, it was decided that for all projects with an estimated cost of $150,000, or above, it would check the e-assets database of the United Nations to determine whether there is any existing system performing similar functions and to ensure that such projects are in line with the technological infrastructure of ITC. If so, together with the ITC project manager, it would then determine whether such an existing system could be used by ITC and subsequently estimate the implementation costs to determine whether adopting such a system would be cost-effective, allowing fast implementation and rapid introduction of future enhancements in a cost-effective manner. In selected cases, and for substantive applications, ITC would consult with the Information and Communication Technology Network. In parallel, ITC would also seek the possibility of adding its systems to the e-assets database.
The Board recommended that ITC develop a plan against the risk of internal corruption and fraud, including fraud-awareness initiatives, in coordination with the Administration of the United Nations and of the funds and programmes, to obtain the benefit of best practices, where available (para. 142).	ITC has coordinated with the Administration of the United Nations and the funds and programmes. The issue is being considered by the United Nations Secretariat under the responsibility of the Under-Secretary-General for Management. ITC will follow the policy that evolves from this exercise. In the meantime, several measures have been taken (posting of administrative issuances, drafting of circulars,

Brief description of the recommendation	*Action taken to implement the recommendation*
	amending contract clauses). In addition, ITC is participating in an inter-agency working group on fraud of the Finance and Budget Network of the United Nations System Chief Executives Board for Coordination (CEB).
The Board recommended that ITC address, in conjunction with the United Nations Secretariat and with proper funding, the issue of unfunded liabilities for end-of-service and post-retirement benefits (para. 144).	The Secretary-General is expected to issue shortly a report to the General Assembly at its sixtieth session in this regard. ITC, being subject to the United Nations Financial Regulations and Rules and accounting procedures, has so far followed the prevailing instructions and would be bound by the decisions to be taken by the General Assembly after a review of the report.
The Board recommended that ITC review the completeness of its information and communication technology strategic documents in a cost-effective manner (para. 146).	Work is progressing and it is expected that it will be completed by December 2005.
The Board recommended that ITC consider the disclosure of items in the financial report in terms of best governance principles relating to oversight, performance reporting, social accounting issues, risk management, continuity and internal control issues (para. 148).	Implementation of the recommendation is in progress. Issues relating to the format and submission of the ITC financial statements are determined by the United Nations Controller. The Department of Management of the Secretariat has informed the Board that, in the interest of harmonization across the United Nations common system, better governance disclosures would be considered by the High Level Committee on Management of CEB and that, on the basis of paragraph 9 of General Assembly resolution 59/264, a report will be prepared by the Secretary-General for consideration by the Assembly at its sixty-first session. It is further noted that the 2005 World Summit Outcome (resolution 60/1) outlines the next steps regarding matters relating to oversight and governance. Paragraph 164 (b) of the resolution states: "We request the Secretary-General to submit an independent external evaluation of the United Nations, including the specialized agencies', auditing and oversight system, including the roles and responsibilities of management, with due regard to the nature of the auditing and oversight bodies in question. This evaluation will take place within the context of the comprehensive review of the governance arrangements. We ask the General Assembly to adopt measures during its sixtieth session at the

Brief description of the recommendation	*Action taken to implement the recommendation*
	earliest possible stage, based on the consideration of recommendations of the evaluation and those made by the Secretary-General." The independent evaluation is in the process of being conducted and the final results of the governance study will be presented in a report to the General Assembly at its sixty-first session. In conjunction with the United Nations, ITC will implement the recommendations for improved disclosure once the General Assembly has made decisions on the governance and oversight arrangements.
The Board recommended that ITC adopt with other United Nations organizations, a common methodology for determining the total cost of ownership of information and communication technology (para. 150).	ITC will develop its own methodology, based on best industry practice and adapted to the ITC technological environment. Once the United Nations system finalizes a common methodology, ITC would review its methodology with a view to improving it, if required, along the lines of the United Nations common system and with a view to progressively adapting to the latter to the extent possible. In parallel, a part on "cost of ownership" will be added to the methodology for evaluating new projects/systems.

International Trade Centre UNCTAD/WTO

Organizational structure and post distribution for the biennium 2006-2007



Abbreviations: RB, regular budget; XB, extrabudgetary; ASG, Assistant Secretary-General; GS, General Service.

[a] Executive Forum posts (RB: 1 P-5, 1 P-4 proposed, 1 GS and XB: 1 P-4, 1 GS).

[b] New posts.

Annex

Outputs produced in 2004-2005 not to be carried out in the biennium 2006-2007

A/58/6 (Sect. 13)/Add.1, paragraph	*Output*	*Quantity*	*Reason for discontinuation*
13.25 (b) (i)	International Purchasing and Supply LINK bulletin	4	Efficiency measure. The cost to produce the newsletter was no longer in line with demand/benefits. As a consequence, informational e-mails will be sent to target audiences on an ad hoc basis.
13.25 (b) (i)	World Tr@de Net (business information materials)	1	In 2006-2007, this single publication will be replaced by the following publications: ▪ WTO negotiations on the Agreement on Anti-Dumping Practices, new version ▪ Business Guide to Trade Remedies (country to be determined) ▪ Doha development agenda: challenges for business and government: business and the international trading system (progress reports).
13.25 (b) (i)	Trade Support Institution Index	1	This online tool has been completed and is now available for direct access by users.
13.25 (b) (i)	"Competitive Edge" benchmarking system (country adaptations)	3	This online tool has been completed and is now available for direct access by users.
13.25 (b) (i)	Trade Finance Pointers	7	This online tool has been completed and is now available for direct access by users; it will also be updated annually.
13.25 (b) (ii)	Guide to Value Chain Analysis for Sectoral Export Strategy Development	1	Non-recurrent
13.25 (b) (ii)	Guide to Procurement under Public-Private Partnerships	1	Non-recurrent
13.25 (b) (ii)	Strategies for Tourism Promotion: Steps to Success	1	Non-recurrent
13.25 (b) (ii)	Workbook for service firms in developing countries	1	Non-recurrent
13.25 (b) (ii)	Business Guide to the General Agreement on Trade in Services	1	Non-recurrent
13.25 (b) (ii)	Innovating for Success in the Export of Services: a handbook	1	Non-recurrent
13.25 (b) (ii)	Central Asia at the Crossroads of Foreign Trade	1	Non-recurrent
13.25 (b) (ii)	Export Strategies for Women Entrepreneurs in the Service Sector	1	Non-recurrent

A/58/6 (Sect. 13)/Add.1, paragraph	*Output*	*Quantity*	*Reason for discontinuation*
13.25 (b) (ii)	The Emerging Garment Markets in Singapore and Malaysia: Market Opportunities for Developing Countries away from the European Union and the United States of America	1	Non-recurrent
13.25 (b) (ii)	The European Market for Denim Products	1	Non-recurrent
13.25 (b) (ii)	Offshore Back-Office Operations: Supplying Support Services to Global Markets	1	Non-recurrent
13.25 (b) (ii)	Business-to-business e-marketplaces: current trends, challenges and opportunities for small- and medium-sized enterprises in developing countries of Asia and the Pacific	1	Non-recurrent
13.25 (b) (ii)	e-marketplaces: global industry dynamics	1	Non-recurrent
13.25 (b) (ii)	Silk Review 2005: A Survey of International Trends in Production and Trade, seventh edition	1	Non-recurrent
13.25 (b) (ii)	Business Information Review (revised edition)	1	Non-recurrent
13.25 (b) (ii)	Selling Business Information and Related Services	1	Non-recurrent
13.25 (b) (ii)	Performance Measurement for Trade Information Services	1	Non-recurrent
13.25 (b) (iii)	e-tools for competitiveness	4	Non-recurrent
13.25 (b) (iii)	e-competence for strategists	4	Non-recurrent
13.25 (b) (iii)	Management diagnostic tools series	3	Non-recurrent
13.25 (b) (iii)	Best practice e-business cases	3	Non-recurrent
13.25 (b) (iii)	Management development series	8	Non-recurrent
13.25 (b) (iii)	Export diagnostic tools series	1	Non-recurrent
13.25 (b) (iii)	Export development series	12	Non-recurrent
13.25 (b) (iii)	Update of SupportNet, a web-based operational management tool for business support institutions	4	Non-recurrent
13.25 (b) (iii)	Update of RegionNet, web-based operational management tool for regional projects	4	Non-recurrent
13.25 (b) (iii)	Training pack for business improvement projects in supply chain management	1	Non-recurrent

A/58/6 (Sect. 13)/Add.1, paragraph	*Output*	*Quantity*	*Reason for discontinuation*
13.25 (b) (iii)	International purchasing and supply chain management diagnostic toolkit on CD-ROM	1	Non-recurrent
13.25 (b) (iii)	Training module on operations management	1	Non-recurrent
13.25 (b) (iii)	Institution manager's briefcase, CD-ROM and electronic edition	1	Non-recurrent
13.25 (b) (iii)	Training modules for the Export-led Poverty Reduction Programme	5	Non-recurrent
13.25 (b) (iii)	National capacity-building series	7	Non-recurrent
13.25 (c) (iv)	Programme and project evaluation reports	4	Non-recurrent
	Total	**96**	